

HOUSE OF REPRESENTATIVES

SID BONDURANT, MD

District 24
Calhoun, Grenada and Yalobusha Counties
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Grenada, Mississippi 38902-1045

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sbondurant@house.ms.gov



STATE OF MISSISSIPPI

22 May 2009

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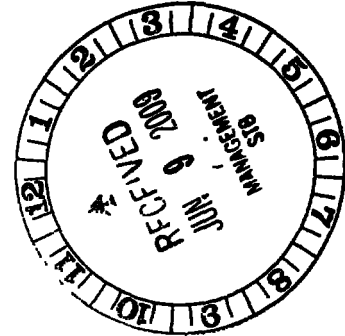
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Office of the Secretary
Surface Transportation Board
395 E Street
Washington, DC 20423

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Office of Proceedings

JUN - 9 2009

Part of
Public Record



Re: STB Finance Docket No. 35247, Grenada Railway, LLC – Acquisition and
Operation Exemption – Illinois Central Railroad Company

Petition To Revoke The Notice Of Exemption

Dear Sir:

On 13 May 2009 the Grenada Railway LLC (Grenada) filed a notice of exemption to seek the STB's authorization to acquire and operate lines of the Illinois Central Railway Company (ICR) and Waterloo Railway Company (WLOO). The line which Grenada seeks to acquire from ICR is between milepost 403.0 at Southaven, MS, and milepost 703.8 near Canton, MS. The line that Grenada seeks to acquire from WLOO extends between milepost 603.0 at Bruce JCT, MS, and milepost 614.42 at Water Valley JCT, MS.

I have received complaints from shippers using the ICR line in question. These business using the ICR line fear that Grenada will not properly serve these shippers in an effort to rid itself of any opposition to subsequent abandonment of all or part of the ICR and WLOO lines.

Grenada failed to include in the notice of exemption that Grenada is an affiliate of A&K Railroad Materials (A&K). On 19 May 2009 the CN Railway (CN), which is the parent corporation of ICR released a news release which states that Grenada is a non-carrier affiliate of A&K. Enclosed is a copy of the CN news release. It is my understanding and belief that A&K is a railroad salvage company and this important fact should have been included in Grenada's notice of exemption. Grenada's notice of exemption is misleading since Grenada did not divulge this information. I further believe that due to Grenada's affiliation with A&K Grenada will operate the line for a short time and then abandon part or all of the ICR and WLOO lines.

FILED FEE WAIVED

It should also be noted that in Grenada's notice of exemption that Bruce JCT, MS, was indicated as being located at milepost 614.42 and that Water Valley JCT, MS, was indicated as being at milepost 603.0. This is incorrect. Bruce JCT, MS, is located at milepost 603.0 and Water Valley JCT, MS, is located at 614.42. Enclosed is a copy of a railroad track profile and a railroad timetable showing the locations of these two stations.

Since Grenada's notice of exemption contains inaccurate and misleading information I am asking that this exemption be considered void ab initio and for the board to revoke this notice of exemption.

Ten additional copies of this petition have been included for the STB and a copy has been sent to each of the involved parties of this case. I understand that a fee of \$250.00 is required to accompany this petition and this is also included.

Yours truly,

A handwritten signature in black ink, appearing to read 'Sidney Bondurant', with a long horizontal flourish extending to the right.

Sidney Bondurant

Fritz R. Kahn, P.C.
Eighth Floor
1920 N Street, NW
Washington, DC 20036-1601

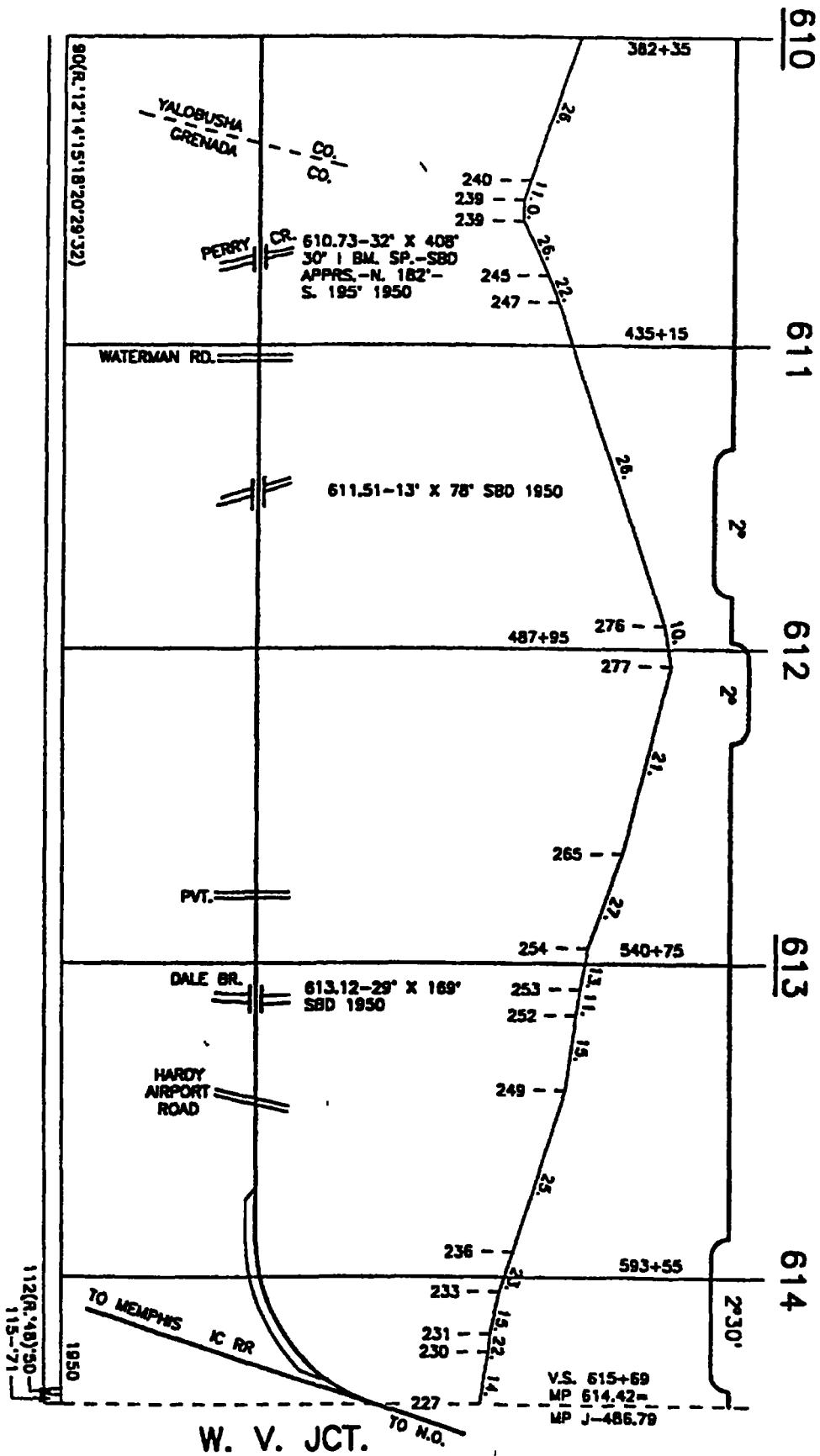
Illinois Central Railway Co.
17641 South Ashland Ave.
Homewood, IL 60430

Waterloo Railway Co.
17641 South Ashland Ave.
Homewood, IL 60430

Grenada Railway, LLC
Suite 101
2200 East Camelback Road
Phoenix, AZ 85016

Governor Haley Barbour
State of Mississippi
P. O. Box 139
Jackson, Mississippi 39205

W.V. JCT.

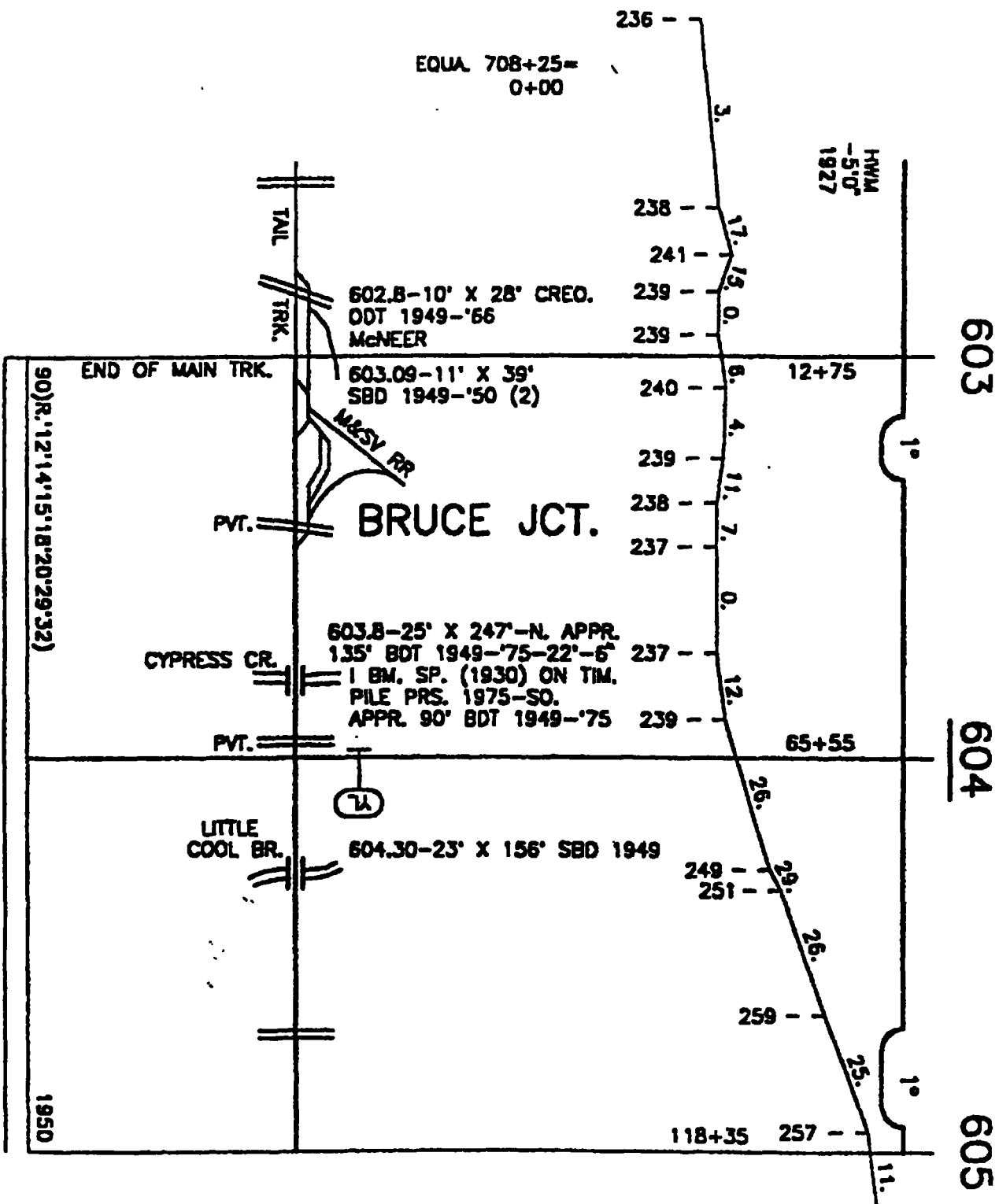


1"=3000'

BRUCE JCT.

WATERLOO RY.

TO W.V.



Northward SUNFLOWER DISTRICT Northward

Siding, Standing Room, Cars with Engine.	Mile Posts	TIME TABLE No. 1		Miles From Yazoo City	
		Taking Effect October 29, 1972			
		STATIONS			
	76.5	D	CLARKSDALE	106.2	..
	79.5		3.0 HOPSON SPUR	103.2	
	82.6		3.1 CLAREMONT	100.1	
	84.3		1.7 MATTSON	98.4	
	86.4		2.1 DUBLIN	96.3	
	91.8		5.4 TUTWILER	90.9	
			TUTWILER		
			6.3 VANCE		
			TUTWILER		
			4.9 SUMNER		
			2.6 WEBB		
			6.3 SWAN LAKE		
	91.8		TUTWILER	90.9	
	96.3		4.5 ROME	86.4	
	99.6		3.3 PARCHMAN	83.1	
	107.2		7.6 DREW	75.5	
			6.0		
	118.2		RULEVILLE	69.5	
	118.4		5.2 DODDSVILLE	64.3	
	121.9		3.5 BLAINE	60.8	
	126.4		4.5 SUNFLOWER	56.3	
			6.7		
	133.1		MOORHEAD	49.6	
	142.2		1.7 INVERNESS	40.5	
	148.6		6.4 ISOLA	34.1	
	151.5		2.9 BELLEWOOD	31.2	
			5.6		
	157.1		BELZONI	25.6	
	163.5		6.4 SILVER CITY	19.2	
	171.5		8.0 CARTER	11.2	
	175.3		4.3 HOME PARK	6.9	
	179.5		3.7 YAZOO JUNCTION	3.2	
			See Mississippi Division Time Table		
			3.2		
		C	YAZOO CITY	0.0	

Northward SILVER CREEK DISTRICT Northward

Siding, Standing Room, Cars with Engine.	Mile Posts	TIME TABLE No. 1		Miles From Holly Bluff	
		Taking Effect October 29, 1972			
		STATIONS			
.	163.5	SILVER CITY 5.5	24.2
..	169.0	...	MIDNIGHT 4.7	18.7
	173.7	...	LOUISE 4.8	14.0
.	178.5	..	PATOSI 5.0	9.2
...	183.5	..	COLBY 4.2	4.2
.....	187.7	...	HOLLY BLUFF	0.0

Southward JACKSON DISTRICT Northward

SECOND CLASS	Siding, Standing Room, Cars with Engine.	Mile Posts	TIME TABLE No. 1		Miles From W. V. Jct.
41 LOCAL			Taking Effect October 29, 1972		
Exc. Sunday			STATIONS		
L 12 30AM		478.0	C	FROGMOOR 3.1	141.4
..		476.1		MALESUS 6.6	138.8
1 00	36	482.7		MEDON 9.1	131.7
1 25	38	491.9		TOONE 7.5	122.6
1 50	26	499.3		BOLIVAR 6.5	115.1
2 03	43	505.8		MIDDLEBURG 4.0	108.6
....		509.8		HICKORY VALLEY 8.0	104.6
2 35	24	517.8		GRAND JUNCTION	96.6
2 50	27	524.0		MICHIGAN CITY 6.0	90.4
3 05	36	530.0		LAMAR 12.7	84.4
3 50	22	542.7		HOLLY SPRINGS	71.7
....		551.4		WATERFORD 17.1	63.0
....		568.5		COLLEGE HILL 3.3	45.9
4 50	..	571.8		OXFORD 7.9	42.6
.....		579.7		TAYLOR	34.7
5 30	...	588.9		WATER VALLEY 13.2	25.5
6 00	..	602.1		COFFEEVILLE 0.9	12.3
6 10	..	603.0		BRUCE JCT. 11.4	11.4
A 6 30 AM	...	614.4		W. V. JUNCTION	0.0

Southward ABERDEEN DISTRICT North

	Siding, Standing Room, Cars with Engine.	Mile Posts	TIME TABLE No. 1		Miles From Aberdeen
			Taking Effect October 29, 1972		
			STATIONS		
.....	..	105.5	D	ABERDEEN ..	0.0
.....		95.5		10.0 STRONG ..	10.0
.....	..	88.8	D	6.7 WEST POINT ..	16.7
.....		81.8		7.0 OSBORN ..	23.7
.....	..	74.8	D	7.0 STARKVILLE ..	80.7
.....	23	67.5		7.3 LONGVIEW ..	88.0
.....		58.7		8.8 STURGIS ..	46.8
.....	22	50.0		8.7 ACKERMAN ..	55.5
.....	23	42.3		7.7 WEIR ..	63.2
.....	..	36.2		6.1 McCOOL ..	69.3
.....	33	27.1		9.1 ETHEL ..	78.4
.....	19	18.4		8.7 KOSCIUSKO ..	87.1
.....		11.4		7.0 McADAMS ..	94.1
.....		6.9		4.5 SALLIS.	98.6
.....		0.0	...	6.9 ABERDEEN JUNCTION ...	105.5



www.cn.ca

May 12, 2009

Southern Region

Jim Vena
Senior Vice President

17641 South Ashland Avenue
Homewood, Illinois 60430
T 708.332.4550
F 708.332.6839

Representative Sidney Bondurant
Mississippi House of Representatives
P. O. Box 1045
Grenada, MS 38902

Dear Representative Bondurant:

I would like to take this opportunity to inform you of the sale of three line segments that CN is undertaking in the State of Mississippi. For the past several years, CN has found operations on these lines challenging as traffic volumes have declined significantly, to the point that it is no longer economically viable for CN to continue to offer service on these lines.

The first involves the Grenada Branch Line and the Water Valley Branch Line. The Grenada Line extends from the Mississippi/Tennessee State line to approximately two miles north of Canton, Mississippi, which is a distance of roughly 175 miles. Also included in this sale is the roughly 11-mile Water Valley Branch Line, which intersects the Grenada Line at W.V. Junction and extends to Coffeeville.

The second sale is the Natchez Branch Line, which runs from Brookhaven to Natchez, Mississippi for a distance of 66 miles. This sale includes the roughly three-mile spur line to the former International Paper plant.

At present, traffic volumes on these lines are very low. Last year, the Natchez Line generated approximately seven carloads per day, while the Grenada Line produced approximately 21 carloads per day, based on a five-day week. The Water Valley Line has been out of service since April 2008.

CN recognizes the importance of rail service to the State of Mississippi. Rather than seek approval from the Surface Transportation Board (STB) to abandon these lines, CN instead has chosen to preserve rail service by selling these lines to Grenada Railway, LLC and Natchez Railway, LLC. We have recently completed the agreements to sell these lines and the purchasers will be filing for approval soon at the STB.

May 12, 2009

Page Two

CN remains committed to serving our customers in Mississippi, and we will continue to operate nearly 600 miles in the State after these line sales. These sales will not adversely affect CN's service in Mississippi and users of rail service will continue to be able connect into the broader CN network without difficulty. CN and Grenada Railway, LLC and Natchez Railway, LLC will also execute agreements as a condition of the sale that will provide for interchange of traffic as well as car supply agreements.

I have enclosed information about the line sales for your information. If you have any questions or need additional information about this transaction, please contact Karen Phillips, CN's Vice President – North American Government Affairs, at (202) 347-7816 or at karen.phillips@cn.ca.

Sincerely,

A handwritten signature in black ink that reads "J. Vena". The signature is stylized with a large, looped "J" and a cursive "Vena".

Jim Vena
Senior Vice President
Southern Region

Enclosures

The Daily Star



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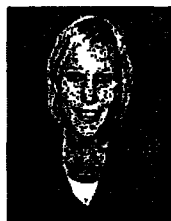
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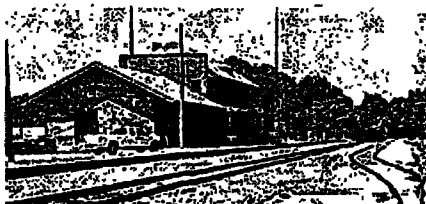


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CN sells Grenada line; rail service to continue

5/14/2009



CN's Grenada office is located at the old Grenada Depot. Staff photo/
 Brittany Huggins

By **BRITTANY HUGGINS**
 Staff Writer

Canadian National Railway recently completed agreements to sell three railroad lines, one of which runs through Grenada, according to company officials.

The Grenada Branch Line, the Water Valley Branch Line and the Natchez Branch Line were sold to Grenada Railway, LLC, and Natchez Railway, LLC, both non-carrier affiliates of V&S Railway and A&K Railroad Materials, according to CN spokesman Patrick Waldron.

V&S Railway LLC operates successful short lines in Kansas and Colorado, while A&K is a supplier of new and used track material and offers rail salvage services, according to Jim Vena, senior vice president of Southern Region.

"For the past several years, CN has found operations on these lines challenging as traffic volumes have declined significantly, to the point that it is no longer economically viable for CN to continue to offer service on these lines," Vena said.

As a condition of the sale, Waldron said Grenada Railway, LLC and Natchez Railway, LLC will be required to make reasonable efforts to sustain and increase traffic on the Grenada and Natchez lines and will not abandon operations on those lines for at least two years from the date of the sale.

Grenada Railway, LLC, however, will face no restrictions on abandoning the Water Valley Line, he said.

"CN is pleased that this deal with Grenada Railway and Natchez Railway will allow these rail lines to remain in place serving Mississippi businesses," Vena said. "CN will continue to offer interchange service to the new short line, maintaining every customer's seamless access to the broader CN network."

Phillip Heard, executive director of the Grenada Chamber of Commerce said he is glad the Grenada line is not being closed.

Without a railroad presence in Grenada, any future economic

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development projects that require rail would not consider Grenada in their final decision, he said.

"The railroad line is very important to Grenada. We have several companies that currently use rail. If the line were to close, it would hinder their operations dramatically," Heard said.

"We are very concerned about this, but there is no point in worrying now. It is up to the company. Now we have to optimistic," he said.

According to Wade Taylor, plant manager of AbitibiBowater, 30 percent of their shipments are by rail.

"We don't know if anything will change, because we don't have any information from the company. If we got to where we couldn't use rail, it would increase our delivery costs," Taylor said.

CN and the purchasers will also meet periodically to review the safety performance of Grenada Railway, LLC and Natchez Railway, LLC on interchange tracks to ensure that all applicable safety standards are met, according to Waldron.

Before the line sale can take place, Vena said the purchasers will have to file for approval later this May at the Surface Transportation Board using the board's exemption procedure.

Under this process, all interested parties are afforded an opportunity to comment on the transaction, he said.

"There are roughly a dozen CN employees working on the lines, and they will be absorbed into CN's remaining operations in the existing ranks of their respective crafts and will be governed by the labor agreements currently in effect," Vena said.

The Grenada line runs roughly 175 miles from the Mississippi/Tennessee border to approximately two miles north of Canton, according to Waldron.

The 11-mile Water Valley Branch Line intersects the Grenada Line at W.V. Junction and extends to Coffeeville, Miss. The 66-mile Natchez branch runs from Brookhaven, Miss., to Natchez, he said.

The City of New Orleans passenger train was moved off the Grenada District Line on Sep. 10, 1995.

It was moved to the Delta Line in Greenwood.

Visitor Comments

[Submit A Comment](#)

Submitted By: Lone Wolf

Submitted: 5/14/2009

Somebody better wake up !!! Another sign the town of Grenada is slowly dieing and fading away.

Submitted By: Lone Wolf

Submitted: 5/14/2009

CORRECTION on the spelling of the word DIEING. The correct spelling is DYING. Sorry I had a senior moment.

Submitted By: Jody Holland

Submitted: 5/14/2009

Is anyone in the city/county pursuing economic development initiatives that may increase the utilization of the short line, or aggressively attracting outside firms to relocate to the area. Grenada has an attractive workforce base, great resources and